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Labour Force Survey

Labour Statistics: Concepts, Sources and Methods

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Labour Force Survey

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Glossary

Acronyms

The Labour Force Survey (LFS) provides Australia's official measure of employment, unemployment and labour force participation. The data captured in this survey are some of Australia's key economic statistics, providing insight into the Australian economy and Australian people.

About the Labour Force Survey

The Labour Force Survey

Frequency	Monthly
Responding sample size	Approx. 26,000 households (52,000 people)
Scope	Usual resident civilians 15 years and over
Response rate	Approx. 93%
Publication	Labour Force, Australia (/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release); Labour Force, Australia - Detailed (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release); Labour Force Status of Families, Australia (/statistics/labour/employment-and-unemployment/labour-force-status-families/latest-release); Longitudinal Labour Force, Australia; (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/longitudinal-labour-force-australia)
Data availability	Quarterly from 1966-1977 and monthly from 1978 onwards; Longitudinal Labour Force, Australia is available monthly from October 1982

Each month, The LFS collects data on the labour force activity of persons around 52,000 people in 26,000 households. The information is collected through a household sample survey conducted by trained interviewers either face-to-face or over the phone, or via online self-completion form. The survey is detailed, including around 70 questions.

The scope of the LFS is limited to the usually resident civilian population of Australia, aged 15 years and over. As such, the survey includes residents who are temporarily overseas (less than 6 weeks), but excludes members of the permanent defence forces. The ABS then weights the people in the survey sample to the most recent population figures, to provide a representative picture of the whole population.

In addition to data on employment and unemployment, the LFS also collects information on underutilisation, hours worked, job searching and retrenchments, as well as sociodemographic characteristics.

The Labour Force Survey Standard Products and Data Item Guide (/statistics/standards/ <u>labour-force-survey-standard-products-and-data-item-guide/jun-2016)</u> is a useful reference for users seeking different data variables from the Labour Force Survey. The guide is divided into two sections:

• Section 1: Labour Force Survey standard product data - The first section alphabetically

lists and explains the data items in Labour Force Survey standard products and where to find them.

• Section 2: Detailed information on Labour Force Survey standard products - The second section lists the Labour Force Survey standard products, and specifies the data items contained within each spreadsheet and data cube.

Sample rotation

The LFS sample can be thought of as comprising eight sub-samples (or rotation groups), with each subsample remaining in the survey for eight months. A new rotation group is introduced each month to replace an outgoing rotation group, generally from the same geographic area.

Sample rotation enables reliable measures of monthly change in labour force statistics to be compiled, while ensuring the sample reflects changes in the household population.

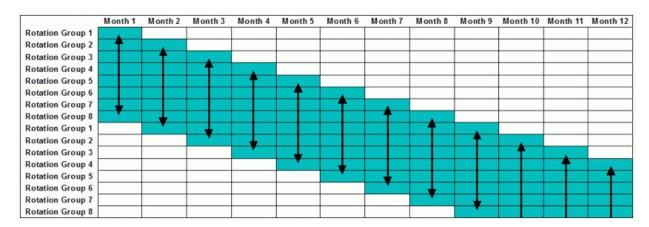


Figure 1: Sample rotation

For more information about the Labour Force Survey, see the <u>Labour Force</u>, <u>Australia methodology page (/methodologies/labour-force-australia-methodology/oct-2021)</u>.

Using labour force data

Time-series data

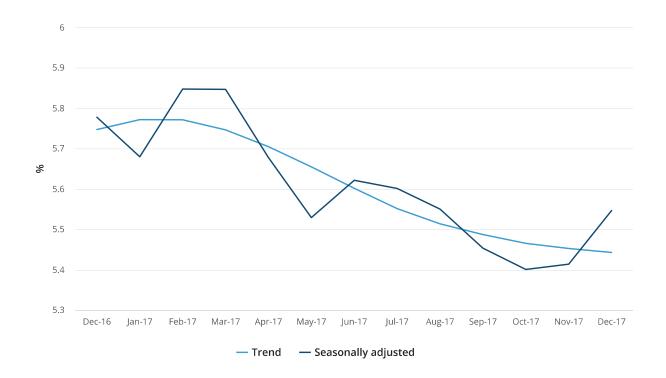
Data collected regularly over time may display seasonal and irregular patterns. This raw data, known as the original series, can be very volatile, making it difficult to identify underlying trends. The ABS therefore publishes two additional data series to aid time-series analysis: seasonally adjusted and trend data in addition to the original (unadjusted) survey estimates.

Trend data helps to determine the underlying path of the series, by smoothing out any

irregularities. It is calculated as a 13 month moving average, using data from 6 months prior to and following the reference period.

Seasonally adjusted data has been modified to remove any patterns caused by regularly repeating cycles in the real world, such as the Christmas period, harvesting season, and school holidays. This series aids in short-term forecasting and allows series to be compared between periods; however, can still be volatile.

Graph 1: Trend and seasonally adjusted unemployment rate, Dec 2016 to Dec 2017



Reliability

As the LFS is a sample survey, the data are subject to sampling and non-sampling error. The ABS takes data quality seriously and makes every effort to minimise error where possible, achieving a response rate of 93%. While the sample is designed to ensure sampling error is as low as possible at the national and state/territory level, it can be higher for labour force regions or for detailed population breakdowns.

International comparisons of Labour Force Surveys

International comparisons of labour statistics are essential in providing a global context to economic analysis, social research and policy formation and evaluation. When comparing data across countries, consideration must be given to the differences in how labour concepts are measured. Since 1919, the International Labour Organisation (ILO) has maintained and developed a system of international labour standards. The ABS provides data about the Australian labour for to groups such as the Organisation for Economic Cooperation and Development (OECD) and ILO, who collate data from multiple countries on a similar basis to allow such cross-country comparisons to occur.

When comparing data across countries, consideration should also be given to differences in the collection methodologies of each country's labour force survey.

Comparison of Labour Force Surveys

	Australia	Canada	New Zealand	United Kingdom	United States
Survey	Labour Force Survey	Labour Force Survey	Household Labour Force Survey	Labour Force Survey	Current Population Survey
Organisation	Australian Bureau of Statistics	Statistics Canada	Statistics New Zealand	Office for National Statistics	Bureau of Labour Statistics
Frequency	Monthly	Monthly	Quarterly	Quarterly	Monthly
Scope	Usually resident, civilians aged 15+	Civilian non- institutionalised population aged 15+	Usually resident, civilian non-institutional populations aged 15+	Permanent residents aged 16-74 years	Usually resident, civilian non-institutional populations aged 16+
Sample Size	Approx. 26 000 dwellings (52 000 persons)	Approx. 56 000 dwellings (100 000 persons)	Approx. 15 000 dwellings (30 000 persons)	Approx. 40 000 dwellings (100 000 persons)	Approx. 60 000 dwellings (112 000 persons)
Population (June, 2016)	24.21 mill.	36.71 mill.	4.70 mill.	58.38 mill.	325.34 mill.
% population in survey	0.21%	0.27%	0.64%	0.17%	0.03%
Working age population (2016)	0.33%	0.42%	0.98%	0.24%	0.05%
Sample rotation	Rotating panel sample design. Selected households remain in the survey for eight consecutive months. A new rotation group is introduced each month to replace an outgoing group (one-eighth of the sample).	to replace an outgoing	Sampling Unit, to replace	households respondents are questioned five times at 13 week intervals (consecutive) and one- fifth of the sample is	Eight representative rotation groups, each in the sample for eight months total. Each rotation group is included in the sample for two four month periods, separated by an eight month period not in the sample. 75% of the sample is common from month-to-month and 50% one year apart for the same month.
Collection methodology	Personal interview, telephone interview, and online form. Data is collected for each in- scope household member from 'Any Responsible Adult'.	Personal or telephone interview (in English or French). Data collected from a knowledgeable household respondent. Proxy reporting accounts for 65% of collected information.	First interview conducted in person with subsequent interviews via telephone, unless personal interview requested by respondent.	First interview conducted in person, with subsequent interviews via telephone. 35.0% of the interviews in 2015 were carried out by proxy.	Personal interview conducted in first and fifth month (after 8 month dormant period). Other interviews via telephone.
Response rates	Approx. 93%	Approx. 90%	Approx. 78%	Approx. 49%	Approx. 87%
Topics	Employment, unemployment, underemployment, labour underutilisation, participation, working time, job search, last job and economic inactivity by socio-demographic groups and by region.	working time, weekly earnings and economic	working time and	Employment, unemployment, underemployment, labour underutilisation and economic inactivity by socio-demographic groups.	Employment, unemployment, labour underemployment, labour underutilisation, working time and economic inactivity by socio- demographic groups and by States.

For more information on Labour Force Surveys in other countries, see:

- Bureau of Labor Statistics: www.bls.gov (https://www.bls.gov/)
- Office of National Statistics: www.ons.gov.uk (https://www.ons.gov.uk/)
- Statistics Canada: www.statcan.gc.ca(https://www.statcan.gc.ca/)

- Statistics New Zealand: www.stats.govt.nz (https://www.stats.govt.nz/)
- ILO statistics from ILOSTAT: www.ilo.org (https://ilostat.ilo.org/?
 _afrLoop=570312337601311&_afrWindowMode=0&_afrWindowId=null#!
 %40%40%3F_afrWindowId%3Dnull%26_afrLoop%3D570312337601311%26_afrWindowMode%3D0%26_adf.ctrl-state%3D1a3hhbya7x_4)

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